

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/8/2012	(3) CONTACT/PHONE Dale Ramey, Transportation Project Mgr. (805) 788-2931	
(4) SUBJECT Request approval of Contract Change Order No. 27 with Granite Construction, Inc. for the Willow Road Extension Phase II Project, Nipomo, Contract Nos. 300129 and 300142, authorizing the Director of Public Works expenditure up to the amount of \$200,000.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board: 1. Approve an anticipated Contract Change Order No. 27 with Granite Construction Inc. for the Willow Road Extension Phase II Project, Nipomo, CA, Contract Nos. 300129 and 300142, authorizing expenditure up to the amount of \$200,000; and 2. Direct the Director of Public Works, or his designee, to execute and process.			
(6) FUNDING SOURCE(S) RIF / Prop 1B / STIP / Roads	(7) CURRENT YEAR FINANCIAL IMPACT \$200,000	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>12/14/10, A-26; 2/7/12, Item 23; 3/13/12, Item 4</u>	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) District 4 -			

Reference: 12MAY08-C-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Dale Ramey, Transportation Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 5/8/2012

SUBJECT: Request approval of Contract Change Order No. 27 with Granite Construction, Inc. for the Willow Road Extension Phase II Project, Nipomo, Contract Nos. 300129 and 300142, authorizing the Director of Public Works expenditure up to the amount of \$200,000.

RECOMMENDATION

It is our recommendation that your Honorable Board:

1. Approve an anticipated Contract Change Order No. 27 with Granite Construction Inc. for the Willow Road Extension Phase II Project, Nipomo, CA, Contract Nos. 300129 and 300142, authorizing expenditure up to the amount of \$200,000; and
2. Direct the Director of Public Works, or his designee, to execute and process.

DISCUSSION

Your Board awarded a contract to Granite Construction, Inc. on December 14, 2010, in the amount of \$16,302,548.36 with a contingency budget of \$1,630,245 for the Phase II Willow Road Extension project. Overall work on the Project has progressed well and construction is currently 70% complete. Approval of the recommended change order will increase approved change orders to \$732,000; 45% of the contingency budget.

The additional work that is necessary to approve at this time is for the contractor to perform additional pavement restoration on Highway 101 as compared to that which was delineated in the Project Plans and Specifications.

During the construction of the bridges on Highway 101, County and Caltrans staff became aware of a difference between the construction plans and actual pavement conditions in the field. The plans show a specific skid resistant surface treatment applied to the freeway travel lanes extending one foot beyond the edge of travel lane and into the shoulder. However, the actual (pre-construction) surface treatment was discovered to be across the entire width of the Highway 101 shoulder. Consequently, a greater quantity of skid resistant restoration work is needed. The apparent discrepancy was caused when Caltrans recently had this segment of Highway 101 pavement surface improved with an asphalt

overlay. At that time, the construction plans were already in their final phase of approval and did not reflect this change in field conditions. Also, Caltrans has requested additional skid resistant surface treatment at the junctions of the ramps and travel lanes. This discovery and additional asphalt treatment required by Caltrans has necessitated the creation of Contract Construction Change Order (CCO) No. 27.

Attached as Exhibit "A" is CCO No. 27. The cost of this work is estimated to be \$133,500. This value is based on a time and material estimate. The work will be performed over the course of two or three night-time operations. If additional work is required that would cause the CCO to exceed staff's authority limit of \$150,000, there would not be time to come back to your Board to request an increase. In case this happens, staff is requesting that the Public Works Director be pre-authorized to spend up to \$200,000 to cover the cost of the additional pavement work on Highway 101.

It would be inefficient and costly to put a stop to the work in order to return to your Board later to approve additional work. The contractor could also assign delay costs to the County for their operation during the time needed to get your Board's approval.

The final result of the extra work will be a uniform wear surface that meets State standards and will provide a safer path of travel on the freeway.

OTHER AGENCY INVOLVEMENT/IMPACT

Caltrans was consulted and approved this potential work paving the highway.

FINANCIAL CONSIDERATIONS

This project is a multi-year project budgeted in the 12/13 FY Roads budget at \$14,356,938. Funding for the project comes from several sources including the South County Road Improvement Fee Account, Prop 1B Funds, County Road Fees, and State Transportation Improvement Program.

There is sufficient money in the contingency and supplemental work budget to cover the potential \$200,000 cost of this CCO. The project Budget includes contingency monies to manage change orders of up to \$815,127.42, plus an additional \$815,127.42 for Traffic Control and Supplemental Work for a total amount of \$1,630,245.

To date, there are thirty nine (39) CCOs that have been approved. The total authorized amount of the 39 CCOs is approximately \$532,000. Upon your Board authorizing expenditures of up to \$200,000 for this CCO 27, the total amount of contingencies authorized will be approximately \$732,000. Staff is also anticipating a substantial supplemental CCO later this year for the increased cost of oil in the asphalt. Adding the potential oil index increase of \$400,000, the total contingency cost could be \$1,132,000; which is less than the \$1,630,245 authorized by your Board for the original contingency and supplemental work. Therefore, the project costs would remain within budget.

RESULTS

Approval of the recommended action will result in the continued progress of the construction related activities for this construction contract, which will contribute to the efficient delivery and continuity of this construction project.

c: MNS Engineers
Granite Construction Company
Rajappan & Meyer

File: Contract Nos. 300129 & 300142

Reference: 12MAY08-C-2

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Change Order No. 27